



# ENERGY ASSURANCE DAILY

Friday, March 02, 2007

## Major Developments

### Tornados, Blizzards and High Winds Knocks Out Power to 344,000 Customers as Massive Storm System Hits Eastern North America

A massive storm system moved across much of the eastern United States and Canada yesterday, knocking out power to an estimated 344,000 in Iowa, Wisconsin, Michigan, Ontario, New York, Alabama, Georgia, South Carolina and North Carolina. Local media and electric company websites were reporting about 200,000 customers still without power as of 12:00 p.m. EST today. As many as 29 tornadoes were reported yesterday in Alabama, Georgia and Missouri. According to a Georgia Power spokeswoman, damage to the company's distribution system was extensive and crews are preparing to repair at least 100 downed power poles.

Eastern Customer Power Outages			
March 1-2			
Electric Companies	State	Peak	Latest Reported
CMS Energy	Michigan	48,500	22,000
Consumers Energy	Michigan	19,500	19,500
DTE Energy	Michigan	25,000	13,000
Great Lakes Energy	Michigan	7,900	2,000
Thumb Electric Cooperative	Michigan	4,500	3,400
Hydro One	Ontario	80,000	80,000
National Grid	New York	16,100	5,330
WE Energies	Wisconsin	12,000	700
New Outages in Iowa**	Iowa	11,000	11,000
<b>Northern Total*</b>		<b>224,500</b>	<b>156,930</b>
Georgia Power	Georgia	71,000	30,000
Tri-County EMC	Georgia	2,000	750
Alabama Power	Alabama	20,300	8,000
Alabama Rural Electric Cooperative	Alabama	5,000	5,000
Progress Energy	North Carolina	14,000	0
Duke Energy	North Carolina, South Carolina	7,000	100
<b>Southern Total*</b>		<b>119,300</b>	<b>43,850</b>
<b>TOTAL*</b>		<b>343,800</b>	<b>200,780</b>

\*Total outages only represent electric companies listed in this table.

\*\*Outages caused by March 1-2 Storm

#### Sources:

National Grid: <https://www1.nationalgridus.com/niagaramohawk/storm/OutagesByCounty.aspx>

<http://www.silive.com/newsflash/metro/index.ssf?/base/news-21/1172853850308780.xml&storylist=simetro>

CMS Energy, DTE Energy, Thumb Electric Cooperative:

<http://www.detnews.com/apps/pbcs.dll/article?AID=/20070302/UPDATE/703020433/1003>

Great Lakes Energy: <http://www.harborlightnews.com/atf.php?sid=1061>

WE Energies: <http://www.postcrescent.com/apps/pbcs.dll/article?AID=/20070302/APC0101/70302026>

Hydro One: [http://www.hydroone.com/en/media\\_centre/news\\_releases/2007\\_03\\_02.asp](http://www.hydroone.com/en/media_centre/news_releases/2007_03_02.asp)

[http://www.hydroonenetworks.com/en/about/our\\_services/power\\_outage\\_maps/south\\_map.asp](http://www.hydroonenetworks.com/en/about/our_services/power_outage_maps/south_map.asp)

Georgia Power: <http://www.bloomberg.com/apps/news?pid=20601087&sid=axpASi60t7ZE&refer=home>

Tri-Country EMC: <http://www.macon.com/mld/macon/16820308.htm>,

<http://www.macon.com/mld/macon/16813010.htm>

Duke Energy: <http://www.wsocvtv.com/news/11153632/detail.html>

Progress Energy:

[http://www.newsargus.com/news/archives/2007/03/02/heavy\\_winds\\_turn\\_out\\_lights\\_around\\_area\\_this\\_morning/index.shtml](http://www.newsargus.com/news/archives/2007/03/02/heavy_winds_turn_out_lights_around_area_this_morning/index.shtml)

### **Update: 25,000 Customers Remain Without Power in Iowa, Second Storm Adds Outages**

As of 12:00 p.m. EST, local media and electric company websites were reporting about 25,000 customers without power in the Midwest, down from about 44,000 at about the same time yesterday. Almost all of the remaining outages are in Iowa. According to *The Des Moines Register*, the new storm system that moved across Iowa yesterday caused 11,000 new outages. The new outages are reflected in the table below as well as in the table above under Major Developments. The outages were not nearly as severe the estimated 350,000 customer outages in Iowa caused by the February 24 storm.

<http://desmoinesregister.com/apps/pbcs.dll/article?AID=/20070302/NEWS/70302012/-1/SPORTS01>

<b>Midwest Customer Power Outages</b>			
February 24-March 2			
<b>Electric Companies</b>	<b>State</b>	<b>Peak</b>	<b>Latest Reported</b>
Alliant Energy	Iowa, Minnesota	200,000	14,000
Iowa Association of Electric Cooperatives	Iowa	100,000	6,900
MidAmerican Energy	Iowa, Illinois	75,000	4,400
Commonwealth Edison	Illinois	38,000	0
Ameren	Illinois	34,000	0
NIPSCO	Indiana	30,000	0
<b>TOTAL*</b>		<b>477,000</b>	<b>25,300</b>

\*Total outages only represent electric companies listed in this table.

Sources: Energy Assurance Daily, February 26-28, 2007

Alliant Energy: <http://alliantenergy.com/docs/groups/public/documents/pub/p013332.hcsp>

Iowa Association of Electric Cooperatives: <http://www.iowarec.org/Outage%20Map030207.pdf>

MidAmerican Energy: <http://desmoinesregister.com/apps/pbcs.dll/article?AID=/20070302/NEWS/70302012/-1/SPORTS01>

Ameren: [http://www.pjstar.com/stories/030107/REG\\_BCH62687.033.php](http://www.pjstar.com/stories/030107/REG_BCH62687.033.php)

## **Electricity**

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### **FPL's 760 MW Turkey Point Nuke Unit 3 in Florida Reduced to 49 Percent March 2**

According to a report from the Nuclear Regulatory Commission, the unit was reduced so that testing of a turbine valve could be performed and new cooling system equipment could be installed.

Reuters, 08:07 March 2, 2007

Bloomberg 11:16 March 2, 2007

### **Exelon's 912 MW Quad Cities Nuke Unit 2 in Illinois Exits Outage March 2**

The unit had ramped up to 71 percent of capacity by early morning on March 2 according to the daily report of the Nuclear Regulatory Commission. A condenser problem led to the closure of the unit on February 28.

Reuters, 08:10 March 2, 2007

Bloomberg News, 11:18 March 2, 2007

### **Dominion's 917 MW North Anna Nuke Unit 2 in Virginia Reduced Briefly February 27**

The company reduced the unit for four hours on Tuesday in order to repair a backup safety system that malfunctioned.

<http://fredericksburg.com/News/FLS/2007/032007/03012007/263857>

### **NRG's 649 MW WA Parish Coal-fired Unit 5 in Texas Seen Back in Service March 3**

Reuters, 09:30 March 2, 2007

### **TransAlta's 353 MW Sundance Coal-fired Unit 4 in Alberta Shut March 1**

Reuters, 09:30 March 2, 2007

### **Reliant's 246 MW Coolwater Gas-fired Unit 3 in California Shut March 1**

Reuters, 20:20 March 1, 2007

## **Reliant's 246 MW Coolwater Gas-fired Unit 4 in California Shut March 1**

Reuters, 20:20 March 1, 2007

## **AES's 225 MW Huntington Beach Gas-fired Unit 2 in California Shut February 28**

Reuters, 20:20 March 1, 2007

## **Court Ruling Allows TXU to Build New 581 MW Coal-fired Unit in Texas**

A U.S. District Court in Texas has issued a ruling that will allow TXU to construct a new coal-fired unit at its Sandow generation facility. The construction of the 581 MW Sandow Unit 5 is expected to be completed in the second quarter of 2009.

<http://www.txucorp.com/media/newsrel/detail.aspx?prid=1023>

## **California PUC Approves First Segment of SCE's Renewable Energy Transmission Project**

The California Public Utilities Commission (CPUC) today approved Southern California Edison's (SCE) application to build the first segment of the Tehachapi renewable transmission project. When all phases are developed, the Tehachapi project will include a series of new and upgraded high-voltage transmission lines capable of delivering 4,500 MW of electricity from wind farms and other generating companies that are proposed for northern Los Angeles and eastern Kern counties. The first segment includes the construction of a 26-mile, 500-kV transmission line connecting SCE's Antelope Substation in Lancaster with the utility's Pardee Substation in Santa Clarita. The new line is expected to be operational in early 2009.

<http://www.edison.com/pressroom/pr.asp?id=6570>

## ***Petroleum***

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### **Update: Ontario Gasoline Supply to Recover Within 2 Weeks – Canadian Oil Companies**

Canadian oil companies say that gasoline supplies across Ontario should return to normal within two weeks.

According to media reports, gasoline shortages continued on Friday, with as many as nine Esso gas stations closed due to lack of supply. Additionally, several Shell Canada and Petro-Canada outlets in Ontario have been forced to close within the past few days. The gasoline shortages have been caused by a number of problems, including a shutdown last week of Imperial Oil's Nanticoke refinery due to a fire, an output slip at Shell Canada's Montreal refinery due to technical problems, and the strike by Canadian National Railway workers.

<http://www.canada.com/ottawacitizen/news/business/story.html?id=0a53ffeb-52fd-4295-be88-5b4475ebcae2>

### **New Hampshire Propane Suppliers Warn That More Disruptions Could Cause Trouble**

Propane suppliers in New Hampshire say that they have enough supply to meet demand but warn that further supply disruptions may cause trouble. According to one regional supplier, non-stop snow storms in New York and the recent Canadian National Railway strike have seriously disrupted the flow of propane supplies. Exacerbating the situation was a 5-day shutdown of a leaking propane pipeline in Selkirk a week ago, and a delayed shipment of propane scheduled to arrive last week in Providence, Rhode Island that didn't show up till late Sunday night.

Eastern Propane said that they have plenty of supply but no way to get it to New Hampshire markets. The company said that it has been able to supply customers using propane in storage, which is at high levels. The New Hampshire State energy office said that it has not received any reports of dealers running out of propane. About 11 percent of New Hampshire households use propane as their main source for heating.

[http://www.citizen.com/apps/pbcs.dll/article?AID=/20070301/CITIZEN\\_01/103010259/-1/CITIZEN](http://www.citizen.com/apps/pbcs.dll/article?AID=/20070301/CITIZEN_01/103010259/-1/CITIZEN)

### **Refinery Supply Issues Tighten California Gasoline Market - AAA**

According to the American Automobiles Association (AAA), supply issues affecting California refineries have contributed to a traditional period of upswings for gasoline prices. Some California refineries are diverting supplies to assist with shortages in other southwest states, worsening an already tight supply situation in California. AAA says that gasoline prices have risen by nearly 2 cents per day over the past week, and that California gasoline prices have surpassed Hawaii's as the highest in the Nation.

<http://www.centralvalleybusinesstimes.com/stories/001/?ID=4481>

### **Update: Restart at Shell's 334,000 b/d Deer Park Refinery in Texas to be Complete by Early Next Week**

Shell announced that the restart of its 334,000 b/d Deer Park refinery in Texas will be complete by early next week at the latest. Thus far some 270,000 b/d of processing equipment has successfully restarted following a major overhaul. The refinery is jointly owned by Shell Oil and Mexico's state oil company, Pemex.  
Reuters, 10:48 March 2, 2007

### **Enbridge Reports Crowding on 84,000 b/d Montana-North Dakota Crude Oil Pipeline**

The Federal Energy Regulatory Commission (FERC) has approved a proposal by Enbridge Inc. to establish new rules to deal with crowding on its 950-mile, 84,000 b/d crude oil pipeline system that runs through Montana and western North Dakota.

<http://www.businessweek.com/ap/financialnews/D8NJJHKO0.htm>

### **Update: ExxonMobil to Comply With PdVSA Takeover of Orinoco Oil Project**

The company said that it plans to comply with Venezuelan President Hugo Chavez's order to cede control of its Cerro Negro crude oil-upgrading project to state-owned PdVSA. An unnamed industry source told Reuters: "Exxon is preparing to hand over operations by May 1, in line with Chavez's instruction that after May 1 Exxon is not the operator of Cerro Negro." Venezuela is planning to takeover four upgrading projects in the Orinoco Belt that have a combined production capacity of 600,000 b/d.

[http://money.cnn.com/2007/03/01/news/companies/exxonmobil\\_venezuela.reut/?postversion=2007030121](http://money.cnn.com/2007/03/01/news/companies/exxonmobil_venezuela.reut/?postversion=2007030121)

### **Export Data Shows Venezuela Slow to Cut Back Oil Sales to U.S. - PIW**

Under the leadership of President Hugo Chavez, Venezuela has made repeated threats to cut back oil sales to the U.S. in favor of China and other political allies. But export data show Caracas has been much slower in shifting sales away from the US than its politicians' harsh rhetoric might suggest. Venezuela has simply been pragmatic. State-owned Petroleos de Venezuela (PDV) has large investments in the United States, and the country earns most of its export revenue there.

Petroleum Intelligence Weekly, March 5, 2007

[http://www.energyintel.com/PublicationHomePage.asp?publication\\_id=4](http://www.energyintel.com/PublicationHomePage.asp?publication_id=4)

## **Natural Gas**

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### **Alaska, Canada Pipeline Delays to Boost Prices, Growth of LNG – EIA's Caruso**

U.S. Energy Information Administration (EIA) director Guy Caruso told a Senate energy panel that delays in the construction of pipeline projects to bring natural gas supplies to the United States from the Alaska North Slope and Canada's Mackenzie Basin would raise natural gas prices to U.S. consumers and increase the need for greater amounts of imported liquefied natural gas (LNG). A plan for the Alaska natural gas pipeline has not yet been approved, and EIA has pushed back its in-service estimate for the project to 2017. The 1.2 Bcf/d Mackenzie Basin pipeline project is also moving slower than planned. Sponsors say the line could be in service by 2011-12.

<http://www.platts.com/Natural%20Gas/News/6360517.xml?p=Natural%20Gas/News&sub=Natural%20Gas>

## **Other News**

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### **Utilities and Coal Producers Need to Communicate With Railroads to Accommodate New Coal Flows – CSX**

According to CSX, utilities and coal producers need to communicate better with railroads on planned changes in coal sourcing ahead of time to make sure that there is sufficient capacity to accommodate new flows of coal, particularly if the changes involve large volumes. CSX has said that utilities across the eastern United States are expected to increase their usage of high-sulfur eastern and Illinois Basin coal, a change that could have significant implications for the flows of coal on CSX's railroad network. CSX says it takes at least two years for it to make infrastructure changes.

<http://www.platts.com/Coal/News/6360552.xml?p=Coal/News&sub=Coal>

## Energy Prices

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U.S. Oil and Gas Prices			
March 2, 2007			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	61.98	60.42	63.36
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	7.22	7.53	6.69

Source: Reuters

## Energy Notes

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**Update: TXU Officially Suspends Efforts to Obtain Permits for 8 Coal-fired Power Units in Texas**

<http://www.txucorp.com/media/newsrel/detail.aspx?prid=1025>

**FPL Claims Reliability Improvement after Unprecedented Hurricane Seasons**

<http://www.fpl.com/news/2007/010307.shtml>

**Utilities Seek to End Isolation of Northern Maine's Power Grid**

[http://pro.energycentral.com/professional/news/power/news\\_article.cfm?id=7915927](http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7915927)

**EIA's Guy Caruso Tells Senate Committee that Agency Needs More Information to Determine if President's Ethanol Goal is Feasible**

Oil Daily, March 2, 2007

**Mexico's Ku-Maloob-Zaap Oil Field Records Record Output of 496,900 b/d**

[http://www.rigzone.com/news/article.asp?a\\_id=42036](http://www.rigzone.com/news/article.asp?a_id=42036)

**Mexico's State Oil Company Pemex Forsees Deepwater Production Beginning in 2012**

Reuters, 22:44 March 1, 2007

**Russian Seaborne Crude Oil Exports Up 2.5 Percent in February**

Reuters, 05:15 March 2, 2007

## Links

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***This Week in Petroleum*** from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

***Weekly Petroleum Status Report*** from EIA

[http://www.eia.doe.gov/oil\\_gas/petroleum/data\\_publications/weekly\\_petroleum\\_status\\_report/wpsr.html](http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html)

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

***Natural Gas Weekly Update*** from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

## ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/index.aspx>.

*Please direct comments and questions to: [ead@oe.netl.doe.gov](mailto:ead@oe.netl.doe.gov)*